



The Montana Association of Community Disability Services is a professional organization comprised of community-based organizations in Montana that provide residential services, employment and day activities primarily to people with developmental disabilities.

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Dear Members of the Children and Families Interim Committee:

We are writing to update you on the status of the Developmental Disabilities Program rate increase that came about from the 2019 Legislative Session.

We are very appreciative of your commitment to the DDP program.

To summarize your work from the session, the DDP program was initially to receive the provider rate increase of 0.91% in FY20 and an additional 0.91% in FY21. Then, through the work of the Budget Subcommittee you added another \$1.2 Million of state general funds plus matching federal funds for each year of the biennium for provider rates. Finally, you also moved \$1 million appropriated to the Montana Developmental Center operations budget to create 100 additional slots in the DDP waiver.

On May 28, DPHHS released the proposed rule regarding the rate increase and an updated DDP Service Manual explaining how the rate is to be implemented. Tomorrow, June 28 at 11AM is the hearing to submit comments on the rule to the Department. We wanted to take this time and submit our comments to you, as well, and encourage this Committee to follow the implementation of your work.

Below are four concerns we have and areas we think necessary for your Committee to oversee:

1. Total spending and new appropriation in the 0208 Waiver

In the rate rule that was proposed on May 28, the Department has characterized the new rate as 3.46% weighted average increase to providers. The total spending for the increase in the rule is \$4,288,675, which would mean the total 0208 waiver is \$123,395,014. However, in the Governor's budget presented in November 2018 the Waiver was estimated to spend \$122,997,912. Later, on January 19, 2019 in a document titled Projected Medicaid Caseload the anticipated spending on the 0208 waiver for FY 20 and FY 21 was \$120,381,750 per year.

Total Waiver Spending Estimates: November 2018: \$122,997,912 January 2019: \$120,381,750 June 2019: \$123,395,014

In order to ensure that legislative intent is met, we think it is vital that the Committee know the final expenditures for FY19 in the 0208 waiver and projected spending for FY20.

2. FMAP in the proposed rule

More troubling is that the new appropriation does not seem to be fully spent in the proposed rate increase and somehow the FMAP is higher than the traditional federal match.

	State General	State %	Federal Match	Federal %	Total
2019 Session Appropriation	\$1,592,876	35%	\$2,952,049	65%	\$4,544,925
Proposed Rate Rule	\$1,246,679	29%	\$3,041,996	71%	\$4,288,675
	-\$346,197		+\$89,947		

3. Calculation for the 3.46% weighted average

DPHHS also published proposed changes to the DDP Services Manual on how the new rate increase would be implemented to providers and their staff. Attached is an explanation of how the new rates in the proposed rule compare to the previous rates.

The increased appropriation is not proposed to be a flat increase across all areas of DDP. Instead the increase comes in a 3.46% weighted average. We believe that overall in the 0208 Waiver an increase of 3.46% may be given, but it is unlikely that any provider will receive this amount. The categories that received the highest percentage increase, such as psychological, and occupational or physical therapies (up to 30% increase) or nutrition services (36% increase), very rarely get billed to the 0208 Waiver. Services that get billed the most frequently by most providers received a lower increase, for example supported employment (2.48%).

We encourage you to ask for how the rate increase was calculated and if it was calculated to fully expend the appropriation to the waiver.

4. How to track the additional 100 slots in the 0208 Waiver

Last, because the money appropriated for additional slots is not included in this rate increase or proposed rule we are not sure how the additional slots will be tracked. We hope that you will get a regular accounting by the Department of how many additional slots get filled this biennium.

Thank you again for listening to our concerns. We appreciate you keeping us in business and we look forward to continued dialogue regarding provider reimbursement rates.

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**DDP Rate Differences
MAR Notice 37-886**

June 27, 2019

Name	Explanation	New Rate	Month/Hr	Prev Rate	Difference Percentage
Adult Foster Support	Low Supervision	783.65	mo	766.26	2.27%
Adult Foster Support	Moderate Supervision	1376.71	mo	1346.14	2.27%
Adult Foster Support	Enhanced Supervision	2354.16	mo	2301.90	2.27%
Adult Foster Support	Intensive Supervision	4869.20	mo	4761.10	2.27%
Assisted Living	Moderate	183.38	day	169.92	7.92%
Assisted Living	Enhanced	244.51	day	226.56	7.92%
Behavioral Support		60.03	hour	58.75	2.18%
Caregiver Training & Support		53.81	hour	52.60	2.30%
Community Transition Services		3000.00		3000.00	0.00%
Companion		22.09	hour	21.35	3.47%
Day Support & Activities	Changed to Tiers	*			
Environmental Modifications		4000.00			
Homemaker		20.91	hour	20.17	3.67%
Individual Goods & Services		varies			
Meals		5.81	a meal	5.62	3.38%
Nutritionist Services		82.40	hour	60.44	36.33%
Occupational Therapy		84.68	21.17/15min	92.88	-8.83%
Personal Care		22.09	hour	21.35	3.47%
Personal Supports		22.09	hour	21.35	3.47%
PERS-Install & Testing		varies			
PERS Monthly Service		varies			
Physical Therapy		109.60	27.40/15min	92.88	18.00%
Private Duty Nursing (LPN)		36.12	9.03/15min	29.52	22.36%
Private Duty Nursing (RN)		45.52	11.38/15min	34.76	30.96%
Psychological Services		166.65	hour	136.59	22.01%
Remote Monitoring		8.26	hour	8.09	2.10%
Remote Monitoring Equipment		300.00	month	300.00	0.00%
Congregate Living	Changed to Tiers	*			
Res Hab Supported Living	No Geographic factor	24.46	hour	23.64	3.47%
Res Hab Supported Living	Med Geographic factor	24.89	hour	24.05	3.49%
Res Hab Supported Living	High Geographic factor	25.50	hour	24.65	3.45%
Res Hab Supported Living	Rural Remote	26.44	hour	25.55	3.48%
Res Hab Supported Living	Base	733.80	month	709.16	3.47%

**DDP Rate Differences
MAR Notice 37-886**

June 27, 2019

Res Hab Supported Living	Flex	1100.70	month	1063.75	3.47%
Res Hab Supported Living	small agency/no geo factor	31.92	hour	30.91	3.27%
Res Hab Supported Living	small agency/med geo factor	32.48	hour	31.47	3.21%
Res Hab Supported Living	small agency/high geo factor	33.30	hour	32.25	3.26%
Residential Training Support	no geo factor	24.32	hour	23.50	3.49%
Residential Training Support	med geo factor	24.74	hour	23.91	3.47%
Residential Training Support	high geo factor	25.35	hour	24.50	3.47%
Residential Training Support	sm agency/no geo factor	31.73	hour	30.76	3.15%
Residential Training Support	sm agency/med geo factor	32.30	hour	31.31	3.16%
Residential Training Support	sm agency/high geo factor	33.11	hour	32.09	3.18%
Respite		17.14	hour	16.40	4.51%
Respite other		varies			
Retirement Services	Changed to Tiers	*			
Specialized Medical Equipment		varies			
Specialized Medical Supplies		varies			
Speech Therapy		54.22	hour	56.88	-4.68%
Supported Employment	Co-worker support	10.67	hour	10.40	2.60%
Supported Employment	Follow Along-Base	407.61	month	397.74	2.48%
Supported Employment	Follow Along-Tier 1	815.22	month	795.48	2.48%
Supported Employment	Follow Along-Tier 2	1203.42	month	1174.28	2.48%
Supported Employment	Follow Along hourly	38.82	hour	37.88	2.48%
Supported Employment	Individual Employment Support	38.82	hour	37.88	2.48%
Supported Employment	Small Group - Tiers				
Supports Broker		29.97	hour	29.13	2.88%
Transportation	Mileage Reimbursement	0.39	mile	0.38	2.63%
Transportation	Individual & Shared Commutes	varies			
Transportation	Other (taxi, bus pass)	varies			
Transportation	Work/day Integration 12max units/yr	11.93	ride/trip	11.63	2.58%
Transportation	Work/day integration (whlchr van) 12/y	14.32	ride/trip		
Transportation	Res. Integration	38.79		37.79	2.65%